

NEVADA COUNTY TRANSPORTATION COMMISSION

Minutes of Meeting

October 4, 2006

A special meeting of the Nevada County Transportation Commission (NCTC) was held on Wednesday, October 4, 2006, in the Grass Valley City Council Chambers, 125 East Main Street, Grass Valley, CA. The meeting was scheduled for 8:30 a.m.

Members Present: Nate Beason, Tim Brady, Sally Harris, Patti Ingram, Russ Steele, Josh Susman

Members Absent: Robin Sutherland

Staff Present: Dan Landon, Executive Director; Mike Woodman, Transportation Planner; Toni Perry, Administrative Assistant

Standing Orders: Vice Chairman Beason convened the Nevada County Transportation Commission Special Meeting at 8:31 a.m.

Pledge of Allegiance.

ACTION ITEMS

1. Certificate of Appreciation: Michael Hill-Weld, Director of the Nevada County Department of Transportation and Sanitation.

Vice Chairman Beason read the certificate of appreciation to Mr. and Mrs. Michael Hill-Weld and the Commission.

2. Brunswick Road/Sutton Way Intersection Improvements

Executive Director Landon explained the chronology of the project and the two issues that needed to be addressed. Mr. Landon said the Brunswick Road/Sutton Way Intersection Improvements started out as a Nevada County project. In 2003 the Brunswick Corridor Study was approved and it identified the need for this improvement. Concurrently, the Regional Transportation Mitigation Fee (RTMF) program was updated, this project was put into the fee program, and it was scheduled for construction in 2005. Mr. Landon reported that in 2003/04 the City of Grass Valley processed an application from Sixteen Circles, LLP (Big 1 Appliance store), and placed a condition that occupancy would not be allowed until the Brunswick/Sutton intersection improvements were in place. Sixteen Circles paid their fees to the City of Grass Valley, including their RTMF fees, and the City directed Sixteen Circles to begin design of the intersection project.

Mr. Landon explained that when Caltrans reviewed the proposed plans, they expressed concerns over the intersection improvements as designed. NCTC staff then collected additional data in support of the proposed improvements. A meeting was called in November 2004 between Caltrans, the City of Grass Valley, and NCTC to review the plans and the supplemental data. During that meeting City staff opted to implement an alternative project that had been proposed by Caltrans, which was the project currently under discussion. An agreement for construction of the project was drawn up between NCTC, the City of Grass Valley, and Sixteen Circles, LLP, and approved by the Commission in December 2004. Mr. Landon reported that NCTC was included in the agreement

because it is the custodian of the RTMF funds collected by the City of Grass Valley, Nevada City, and Nevada County.

The agreement has a clause to deal with increased cost, and that was one of the issues before the Commission. Mr. Landon said bids for construction were submitted, reviewed by the City of Grass Valley, revised, and subsequently approved by the City. As party to the agreement, NCTC must either allocate the additional funds needed or reject the bid as approved by the City. A rejection would require the bid to be reworked and then go through the bid process once again. Based on conversations with Tim Kiser, Engineer for the City of Grass Valley, and John Rumsey, Senior Civil Engineer for the Nevada County Department of Transportation and Sanitation, Mr. Landon's opinion was that reworking the bid package would result in additional administrative costs to the project and would not result in a lower bid than what is currently proposed.

Executive Director Landon stated that the second issue before the NCTC was whether to include the increased cost of this project, the \$80,000 cost to hire a consultant for the update of the current RTMF Program, as well as a general project cost increase based on the Engineering News Record Construction Cost Index (ENRCCI) into an interim fee that would be in effect until the RTMF Update was approved. He said that the current RTMF Program Update has been in progress since September 2005. A consultant will be brought in by the end of October to help complete the update process. It was noted that during this update process, development projects are approved and pay the current fee, but potential increased amounts to the RTMF are lost during this time frame unless an interim fee is implemented. Mr. Landon said the alternate view of the issue is to get all the components of the RTMF Update together, resolve all the issues and concerns, and then adopt a comprehensive and complete RTMF Update. He noted that if the Commission were to decide to recommend an interim fee, it would have to be adopted by the cities and county before it would take effect.

Commissioner Steele questioned what Caltrans objected to in the original plan of the Brunswick Road/Sutton Way Intersection Improvement, and what was changed as a result of this. Executive Director Landon gave an overview of Caltrans' concerns and the changes that were made to the original plan, which would have reused the existing pavement on Brunswick Road, and added an additional left-turn lane going eastbound on Brunswick into northbound Sutton Way. Caltrans felt that the additional left-turn lane would cause stacking into the off ramp intersection. Mr. Landon said extensive review was done of the intersection configuration and traffic flow, and the analysis showed that would not be the case. Caltrans Operations staff was reluctant to accept that conclusion, so further negotiations were held. Tom Wood, Chief Deputy over Traffic Operations for Caltrans, was ready to proceed with whatever the City of Grass Valley decided to do. The City staff evaluated the continued reluctance by other Caltrans staff to the proposed plan, so they chose to go with the design that would only rework Sutton Way, and thereby avoid any required permits from the State concerning the Brunswick Road/SR 20 ramps, to allow the project to move forward. Mr. Landon thought the original improvement was a better design, but he understood the City's decision to move away from the Caltrans approval process to expedite the construction of the project.

Commissioner Brady stated he would like to discuss the decision making process relating to when projects are moved ahead of sequence from their planned year for construction in the RTMF program. In this case he thought it was good the Brunswick/Sutton improvement project was moved into an earlier schedule for construction in 2004, since the Caltrans design issues delayed the project past the initial 2005 construction date. He believes the solution the City of Grass Valley staff came up with was appropriate and creative, to have the developer go through with the design, fund the improvements, and then reimburse him at a future date. Commissioner Brady believes Sixteen Circles has done a great job. He would like the Commission to discuss a policy for consideration in

the RTMF Update related to funding a project out of sequence, and the impact on future projects. He also thought the NCTC should not pay interest when the funds are paid back, because it inflates the cost of the project. Commissioner Brady said in this specific case it is hard to argue the point because this project should have been built in 2005 according to the RTMF schedule. Vice Chairman Beason also thought that the protocol of this process should be discussed as a part of the RTMF Update.

Commissioner Susman stated that he wanted to focus on what was important right now. He noted that the bidding process and the agreement with Sixteen Circles asked for three competitive bids and only one competitive bid was provided. He voiced concerns that the initial bid more than doubled the estimated amount of the project, and that the agreement stated the improvements were to be completed by August 15, 2005 or the agreement was void. He felt there were issues of what is legal and what is right at this point, along with what the solution is for the regional transportation problem. With regard to the interim fee program, he noted that NCTC should be careful not to defer other projects in the RTMF program by taking future funds to cover current cost increases.

Commissioner Harris questioned what kind of precedent this project is setting for future improvements that are developer driven. She would like to be cautious and to set a course that makes sense when future issues arise.

Commissioner Ingram requested Tim Kiser give some history of what took place at the last Grass Valley City Council meeting where this project was discussed. She commented that Mr. Kiser was not the City Engineer on staff when the agreement was drawn up. She felt the delays were not Big 1 Appliance's responsibility and she appreciated them taking on the responsibility to get it designed and constructed. She would like to see the project move forward to completion.

Vice Chairman Beason stated that with respect to the RTMF interim fee idea, he does not think the Brunswick Road/Sutton Way intersection is failing, now that there is less traffic at the intersection due to the closure of Ralph's and Jim Keil Chevrolet. He also said when Walgreens or another business makes plans to move into the Jim Keil location, there will be some type of mitigation fee charged at that point. He proposed the "wait and see" approach to see what the future brings before constructing any improvements at this location. Commissioner Ingram stated that Safeway will be moving into the building previously occupied by Ralph's in January 2007, and she believes money will be lost if there is no interim fee in place by that time. Vice Chairman Beason believes the RTMF Update process will be completed by then. He is concerned the priorities for the RTMF are shifting, and he would like to stay on the current course with the permanent fee evaluation to be completed by March or April of 2007. He felt the interim fee wouldn't be approved until December or January 2007. He did not want to respond to pressure from community groups.

Commissioner Brady asked Tim Kiser several questions: 1) Did the cost of the project double due to the scope of work changing or due to inflation? 2) Did Sixteen Circles move the project diligently along and was the delay of construction due to Caltrans? 3) Were there three competitive bids and were the bid documents complete? 4) Should the original project be looked at rather than the alternate project being proposed currently?

Tim Kiser gave an overview of what he provided to the Grass Valley City Council on September 26th. He explained that they received two competitive bids and six firms that rejected to bid, and he has been working extensively with Sierra Foothills. Developers do not have the same bidding process or requirements as public contracts, but Grass Valley has put certain requirements on the bids. Mr. Kiser said the initial bids were over \$600,000, and at that time Sixteen Circles had met their agreement requirements to get bids. They worked on their own to get the costs reduced by

\$160,000. He took this revised bid to the City Council on the 26th for approval. Mr. Kiser would like to see the project built this construction season. He believes the decision to go with the current design was well thought out, and he believes it would have been an uphill battle to get the original project approved by Caltrans. In addressing the cost issues, he said the original agreement was based on a different design, and pointed out that there were changes related to storm drainage, and also sidewalk modifications that were not initially included. He thinks the majority of the cost increase is due to the inflation of construction costs. Mr. Kiser believes that Sixteen Circles has met their obligation to the agreement. He cautioned that since this is an RTMF project and Sixteen Circles paid their mitigation fees, if the project is denied, there may be ramifications under CEQA (California Environmental Quality Act) related to collecting fees and then not building the project. He said there could also be issues with NCTC collecting fees and signing an agreement, if there is no follow-through on funding the project.

Vice Chairman Beason reiterated that there are two mitigating factors, with Jim Keil Chevrolet going out of business and Ralphs closing, that were not in existence at the time the agreement was signed. He suggested that the intersection improvement should wait until other businesses go into those two locations and see what is needed at that point. Tim Kiser pointed out that if Safeway moved into Ralph's location, they would not pay additional mitigation fees unless they expanded the store. If a drug store moves in where the car dealership used to be, there could be an increase in PM Peak Hour trips and that would trigger payment of mitigation fees only for the increased trips. Vice Chairman Beason said his concern was not to spend money twice on the same intersection. Executive Director Landon voiced support for the City's design decision, and his recommendation to the Commission was to move forward with the funding of this project.

Commissioner Ingram said her concerns are that citizens call her, or City staff, or visit her office, and ask when this troubled intersection is going to be improved. They see that a business was built, but the traffic improvements were not completed. Commissioner Ingram feels it is very important to adhere to agreements and to have improvements constructed in a timely fashion, to maintain a healthy environment between the City of Grass Valley, businesses, developers, and the citizens. She stated that the City, and probably NCTC, do not want to be known as entities that approve projects but then do not construct them. She commented that the future land use around this intersection is unknown, and she believes the Commission should not wait to see what happens before taking action to build this project.

Commissioner Brady said he thinks the original agreement was good and it is the right project to construct. He stated that Sixteen Circles obtained two competitive bids, and added that in his own work recently, he has found it difficult to get companies willing to bid on jobs. At a future time he would like to discuss how to handle projects that are taken out of the RTMF sequence to be built ahead of schedule and how that affects the other projects.

Commissioner Susman agreed with the decision to not take issue with Caltrans over the design discrepancies. He was comfortable with the efforts put forth by Sixteen Circles and the fees they paid. He was willing to put aside the integrity of the original estimate. They are all issues in the past, he said. Commissioner Susman also did not want to look into the future and what may or may not happen at this intersection. He referred to Commissioner Ingram's comment about, "If we don't adhere to the agreements we make ..." and questioned what was legal and what was right, as far as the deadline being passed due to Caltrans' delays. He quoted a portion of the agreement (page 6), which states: "NCTC acknowledges that this Agreement constitutes a binding commitment on the part of the NCTC to allocate and expend the funds required ...". His point was that it did not say an amount or a percentage, but that the NCTC would allocate funds. He read on: "If DuPell has not caused the construction of Improvements to be completed on or before August 15, 2006, then the

City may elect to terminate DuPell's right of reimbursement under this Agreement as to any work not yet performed, and thereafter, the City shall immediately and diligently proceed to complete the improvements. The parties acknowledge that the DuPell land use entitlements require the completion of the herein Improvements prior to occupancy of his facility." Commissioner Susman said it was an option for Grass Valley to nullify the agreement, and do the improvements out of the General Fund of Grass Valley. Commissioner Susman felt the real issue at hand was being circumvented, which was the question of how to creatively finance the project and construct it. He sees the three parties as partners in the agreement, but he does not see the developer or the City contributing more money to the project. He suggested that what other cities are doing with development is they allocate a portion of their resale tax. He personally does not believe the entire cost should be paid by NCTC.

Vice Chairman Beason asked Tim Kiser about the condition imposed on Sixteen Circles to not occupy the building until the improvement was completed. Tim Kiser replied that Sixteen Circles was only required to put in a turn lane, not to construct intersection improvements put forth in the Brunswick Corridor Study. Vice Chairman Beason asked if Mr. Kiser thought Caltrans would change their requirements for improvement of the intersection. Mr. Kiser thought it would be an uphill proposition that would take time and money with no guaranteed results.

Vice Chairman Beason asked when DuPell occupied their building and Mr. Kiser replied it was about one year previously. Vice Chairman Beason asked to what degree NCTC was involved with the project as of January 2006, and if there were any presentations made to the Commission. Executive Director Landon replied that in accordance with the terms of the agreement and resolution signed by the Commission, the City of Grass Valley and the applicant were to move forward with the design and construction. NCTC's role was to process invoices and determine if they were correct and then pay them. Mr. Landon did not bring anything to the Commission because it appeared that the developer was being successful in moving the project forward. He said in June the first bids came in and he saw a red flag at that point, however nothing was brought to the Commission because Tim Kiser, the City Engineer, was working to determine what could be done to reduce the costs. Vice Chairman Beason questioned if NCTC was a party to the modified design. Mr. Landon said yes. Tim Kiser noted that the concept of the project did not change, and the design change was minimal – just moving the sidewalk over five feet. Vice Chairman Beason said there were many lessons learned from this project. He acknowledged the concerns regarding political comments and citizen displeasure over the project, but he restated his concern of spending money at this intersection and then having to rework it.

Commissioner Harris said the property adjacent to the intersection is a very valuable piece of property, and questioned if Walgreens or a high profile business goes into that location, would it dramatically change the proposed reconfiguration of the intersection. Tim Kiser said it would depend on the type of business, and what the proposed improvements would be in their traffic study. If there are no additional PM Peak Hour trips, it could potentially have no further impact on the intersection. He said if Walgreens were to go in, the City would try to get additional right-of-way to facilitate additional improvements, like the widening of the on ramp traveling toward Nevada City. Mr. Kiser said Jim Keil Chevrolet was not willing to give up property without it being condemned. Commissioner Harris does not want to spend a lot of money now and then have to tear up the intersection again in a year or more. She encouraged the Commission to keep a view of what may happen in the future.

Vice Chairman Beason asked John Rumsey the parameters of what was reviewed in the Brunswick Corridor Study. Mr. Rumsey said the study did not take in the Nevada City Highway portion of the corridor, but started at the Sutton Way intersection and proceeded out to the junction of Brunswick

Road and SR 174. Vice Chairman Beason asked Mr. Rumsey's opinion of whether to go ahead and spend the money on the proposed project, or possibly take a longer view and delay the project to try to factor in other improvements in the corridor. Mr. Rumsey said it is difficult because you have four intersections that work as a system, so the improvements at this intersection need to fit in with the pattern of how the whole interchange works, including the two freeway ramps, the Maltman Drive intersection, and the Nevada City Highway intersection. He said that the currently proposed improvement would basically do the same amount of good to the intersection as the original project, which is to reduce the conflict between three through movements and turning movements. Caltrans did it at a slightly different pattern, off a different quadrant of the intersection. His understanding was the numbers were supposed to come reasonably close to what was originally proposed, which was a dual left turn lane. He said, in this case, you would introduce another left turn lane on the Jim Keil Chevrolet side of the intersection to allow the left turn from that side to go at the same time as the other side. Mr. Rumsey thought the improvement to the Brunswick Road/Sutton Way intersection should be done at this time, and evaluate the conditions for the long term, when and if, other businesses move into properties near the intersection.

Executive Director Landon said when the Brunswick Corridor Study was conducted, they took a twenty-year look at the corridor, but the assumption back then was Jim Keil Chevrolet would remain open for business throughout the twenty-year planning period. John Rumsey shared that another major issue is what will happen with the Loma Rica Ranch development. The Brunswick Corridor Study factored in what was in the Nevada County General Plan and the City of Grass Valley General Plan. If the City approves additional homes at Loma Rica Ranch then were stated in their General Plan, that would have to be factored in and the general plans would need to be changed. Mr. Rumsey said the Brunswick Corridor Study took an aggressive look at growth in that area and went beyond the existing Grass Valley General Plan as far as how quickly things would occur.

Tim Kiser reiterated the importance of this project for the integrity of the RTMF program and environmental process, and he encouraged the Commission to approve the additional funding for the project. Executive Director Landon explained that the role NCTC plays in the funding process is as an administrator. He applauded the past efforts of the previous City Engineer, Tim Crough, who drew up the agreement with the legal staff of Sixteen Circles. He said the Sixteen Circles engineers and Tim Crough worked together to draw up the plans and estimate the costs. Mr. Landon said, based on the cash in the RTMF fund, and even with a conservative revenue estimate, he believes it is possible to maintain a positive cash flow in the RTMF program and build this project.

Vice Chairman Beason asked if there would be potential issues based on the language of the agreement. Tim Kiser replied the key word is "may", and the City of Grass Valley has not made a recommendation to cancel the agreement. He believes as long as there is forward movement with the project, an attorney would say that the contract is still complete because Sixteen Circles has completed their end of the agreement.

Commissioner Harris asked Commissioner Susman to expand on his concern on who would bear the costs of this project. Commissioner Susman asked Mr. Landon if there was money being borrowed and spent from the Overall Work Program (OWP) for the anticipated cash flows. Executive Director Landon stated there is no money coming out of the OWP; it is all RTMF funding. Commissioner Susman stated that all three jurisdictions, Grass Valley, Nevada City and Nevada County pay into this fund, so he questioned if the other jurisdictions are concerned about this money being paid for this regional project. He brought up a concern that Grass Valley had RTMF funds they were holding that were not in the general RTMF account. Executive Director Landon explained that when the RTMF fund was established, the City of Grass Valley had approximately \$600,000 that had been collected for projects that were then integrated into the RTMF program. The City has continued to

hold that cash, although there is full identification of the funds, including accrued interest, and it is set aside for the projects in the RTMF that Grass Valley originally collected the money for.

Commissioner Harris asked what the split is for the overage and how much would be paid by Nevada City and the County for this regional project in Grass Valley. Executive Director Landon replied that the entities pay nothing from their general funds. The funds come from fees paid for development projects in each jurisdiction. He said in the past year \$370,000 was collected as revenue and deposited into the RTMF fund. Of that money, the greater percentage of it comes from the City of Grass Valley, with about a 60/40% share between Grass Valley and Nevada County. He said he thought Nevada City did not usually collect more than \$10,000 of RTMF funds for an entire year.

Vice Chairman Beason was concerned about changing RTMF project priorities to provide the additional funds needed to construct this project. Executive Director Landon referred to a cash flow chart he provided the Commissioners. He explained that the project is shown for reimbursement in 2011. The East Main/Bennett Street project, which is a Grass Valley project, shows reimbursement will be moved back due to the increased cost of this project.

Commissioner Harris commented that she works near the intersection of Brunswick Road/Sutton Way and avoids the intersection by taking an alternate route because of the traffic delays she experiences there. She would like to see the intersection improved sooner rather than later. Commissioner Ingram concurred that she works in the same area and she takes a different route as well. The alternate route takes her through neighborhoods in Grass Valley, which is something the City would like to avoid seeing happen for safety reasons.

Commissioner Ingram made a motion to adopt Resolution 06-31. Commissioner Brady seconded the motion. The motion passed with five affirmative votes and one no vote from Commissioner Steele.

Implementation of an Interim Fee

Commissioner Ingram said the Commission was asked to give direction to NCTC staff regarding the question of adopting an interim fee, until the RTMF Update can be completed. Vice Chairman Beason stated he thought the Commission should continue to work towards completing the permanent RTMF Update, and he is opposed to an interim fee because he believes it is not needed. He also does not want to give the perception that the fees are continually being raised, and if the interim fee was approved now and the permanent fee is approved in April, it could give that perception. He would like to see a protocol set up for situations like this one, so this issue does not come up again in the future.

Executive Director Landon reviewed that in September 2005 when the RTMF Update was presented, there were several issues raised. Therefore, the Commission decided before presenting an updated fee program to the cities and county, they recommended resolving the issues. At the April 2006 NCTC Meeting an interim fee was proposed, but the Commission did not approve it. Commissioner Ingram noted that a year has passed with no approved RTMF Update, and she does not believe the consultant who will be hired would be able to complete the work in three or four months. She does not like to see revenues lost that could be collected through the adoption of an interim fee and used toward completion of these RTMF projects. She feels that losing money by not passing an interim fee is worse than spending additional money on a project that has increased due to inflation.

Commissioner Susman said the Truckee Town Council is dealing with a similar issue as they update their General Plan and discuss whether they should impose an interim housing ordinance. He felt that there is a risk in passing an interim fee that would not have adequate backup and documentation. He would like to have a special NCTC meeting once the RTMF report is out, in order to get the RTMF Update approved and in place as soon as possible.

Vice Chairman Beason reviewed that at a previous NCTC meeting it was suggested that an outside consultant be hired to get a fresh set of eyes, and the consensus of the Commission was that it was not needed. At that point Executive Director Landon thought the update would be completed by July or August. It was decided at the July meeting to hire an outside consultant. Vice Chairman Beason thinks that a problem the Executive Director and the Technical Advisory Committee (TAC) have had is that at every other meeting there has been a change of direction given to staff. He would rather wait now for the report and adopt a permanent RTMF Update.

Commissioner Steele agreed to not consider an interim fee, but to give the public an RTMF Program that they have a high degree of confidence in. He believes an interim fee would cause the public to lose confidence in the system.

Commissioner Harris asked if initially it was thought that NCTC staff would update the fees. Her perception is the Commission has gone back and forth on the decision to hire a consultant, which is why a year has passed and there is still no update. She questioned what the alternative is to hiring a consultant. Executive Director Landon replied there were issues with regard to allocation of the fee between residential and nonresidential properties, and the discrepancy over amounts to be paid from the different fee zones. He said NCTC staff undertook to address some of these issues and it became apparent that NCTC staff could not resolve those issues to the satisfaction of all the parties concerned. At that point it was decided to get a consultant with more experience in developing fee programs. Mr. Landon said when the RTMF Program was conceived five years ago it was working, and there was a lot of good will. Five years later there are some concerns and outside assistance is needed to resolve the issues.

John Rumsey said the initial concept to bring in another consultant was to replace the consultant who is currently doing the modeling, PRISM Engineering. This second proposal for a consultant would be looking at the fee structure. He said there has been an ongoing discussion with the Nevada County Contractors' Association (NCCA) regarding the outlying areas of the county. Mr. Rumsey stated the discussion was at a point where there was an ongoing dialogue with NCCA and really no way to resolve it, so that is why they agreed to bring in a consultant. He said that PRISM Engineering is a very good modeling and traffic consultant, but they are not in the business of general civil work or designing and building of projects. Mr. Rumsey said because the construction costs are rising so rapidly, there needs to be someone who is skilled in the area of estimating costs. Vice Chairman Beason said there is also the issue within the NCCA about weighting fees between commercial and residential.

Commissioner Brady said he would like to see the NCTC bring in a consultant to update the RTMF similar to what Grass Valley did to update their fee program. He believes it would be good to approve the interim fee at this point, even though he initially voted against it, because he thought the RTMF fee would be approved more quickly than it has. He would not like to lose the additional fees that could be collected over the next six or more months. He would be willing to discuss this at a special meeting if need be. Commissioner Brady said when the Commission did not approve the interim fee at their April evening meeting, the City of Grass Valley adopted "regional" projects into their Grass Valley Capital Improvement Plan (CIP). Grass Valley is collecting money for those projects until it is determined whether or not they will be moved into the RTMF program.

With regard to the need for an interim fee, Vice Chairman Beason said that Executive Director Landon stated there is sufficient money coming in to build the Brunswick Road/Sutton Way project and he does not believe there needs to be an interim fee adopted to pay for it. Commissioner Brady suggested using the ENRCCI to raise the interim RTMF fees, since it is a conservative but a defensible basis to raise the fees until the update is completed. He believes an interim fee increase, based on the ENRCCI, will be well below what the updated RTMF fees will be. Commissioner Brady would like to see project acceleration and inflation clauses put into the RTMF program to avoid this situation in the future.

Commissioner Ingram noted the interim fee adopted by the City of Grass Valley was for a particular intersection and they have not approved an interim fee across the board. The City has been waiting for the RTMF Update. She asked if the interim fee under discussion would be for one specific area. Executive Director Landon clarified that his suggestion to the Commission would be to include: 1) A general cost increase for all projects, based on the ENRCCI since the last fee was adopted; 2) the \$80,000 cost estimate for the update itself, since that cost will be folded into the fee; and 3) the additional cost to be incurred for the Brunswick Road/Sutton Way Intersection Improvement project. Mr. Landon said they are all known quantities and he did not think there would be an argument from any group about including those costs.

Commissioner Harris asked if the recommended interim fee methodology is legally defensible. Executive Director Landon responded that he believes that it is, since it is based on inflation and adding known costs. Commissioner Harris also asked Executive Director Landon his opinion on the interim fee. Mr. Landon said that the RTMF Update process started in September 2005 and he expected it to be completed by spring 2006. His recommendation, given the politics and volatility of this process, would be to do an interim fee for a period preceding the update. Then, if the update process gets drawn out, you do not lose those revenues. Mr. Landon added that the fee could not be adopted by NCTC; it must be approved by the City of Grass Valley, Nevada City, and Nevada County. Commissioner Harris commented that there would be pressure from those people who pay the lower fees to argue about the update process and delay the completion of the update. If an interim fee were in place, it might make the discussion more about the subject rather than a direct financial issue. She thinks it would be wise to do the comprehensive update for the long term, but in this situation she sees merit in moving forward with an interim fee.

Vice Chairman Beason said he believes if an interim fee were adopted, it would negate a sense of urgency on completing the permanent RTMF Update. Commissioner Susman agreed with Commissioner Brady that there should be an escalation clause in anything that has an economic impact. Commissioner Susman said one of the delays from last September was the Commission wanted "science" to make the decision on the RTMF update, so the Origin and Destination Study was done to figure out equitably where the traffic was beginning and where it was going based on the various video areas in the study. He said the delay was because the Commission wanted to make the most informed decision available. He would like a deadline set by staff in order to move forward readily.

Vice Chairman Beason would like to correct the record in going back to the first time the interim fee was discussed for the Idaho-Maryland/ East Main Street. He said there were two proposals made. The first proposal was to extend the payment period from five to ten years on the East Main/Idaho-Maryland Road or East Main/Bennett Street RTMF projects, until we had a permanent fee in place, and then go back and rework the timing. It was informally presented but was not accepted. Secondly the County made the proposal that Grass Valley would spend redevelopment money for half of it and then the County offered to split the other half with Grass Valley. That proposal was

rejected. He did not want to give anyone the impression that Grass Valley was forced into making a regional project a local project.

Vice Chairman Beason asked what action needed to be taken at this point. Executive Director Landon referred to his staff memo where he stated that the most expeditious way to accomplish an interim fee, if that is the Commission's desire, would be for staff to develop the numbers and the associated fee based on the projects included in the memo, and take that to the cities and county. If there were three positive actions by those bodies, staff would bring the interim fee issue to the November NCTC meeting for approval. Mr. Landon reiterated it was up to the discretion of the Commission as to how to proceed from here.

Vice Chairman Beason asked for a motion. Commissioner Brady said he thought it was a good idea to take it to the jurisdictions first to see if they wanted an interim fee. Commissioner Steele restated that the same assumptions would be used as in the current fee, but an interim inflation factor and two known costs would be added. Vice Chairman Beason said he thought it was up to the Commission to propose to the respective bodies that there be an interim fee increase, not ask them if they want to have one. He said he is opposed to the interim fee, but he would take it back to the Board of Supervisors if the Commission decides that way. Commissioner Susman commented about the timing of the decision of an interim fee and the November election. Commissioner Steele said that since there are already people opposed to the sales tax measures, maybe the Commission should wait until after the election to address the interim fee. Commissioners Harris and Ingram said they would support that timing.

Michael Hill-Weld commented that he thought the NCTC staff's time might be better spent working with the RTMF consultant on the ultimate fee update, rather than on the interim fee issue. John Rumsey added that a debate with the NCCA would continue until the issue is resolved about the commercial and noncommercial fee split. He thought that could be a factor to delay the interim fee also, until the consultant proposes their view of the formula. Tim Kiser does not think the RTMF Update will be an expeditious process since they still have to identify the regional projects and agree on which projects will be added to the RTMF program. He noted that if the interim fee had been adopted at the NCTC April Meeting, based on the ENRCCI Index, there would be about \$30,000-40,000 additional funds in the program now. He said there is a large development being proposed in the next six months, and an opportunity may be missed to collect additional fees. He suggested that the November meeting would be a good time to bring the interim fee issue back before the Commission, with the ENRCCI numbers calculated out to show what the interim fees would be.

Commissioner Harris suggested the Commission defer the interim fee decision and agendize it for the November NCTC meeting. Commissioner Ingram agreed.

Commissioner Susman made a motion to defer the interim fee decision until the November 15th NCTC meeting to allow staff to bring back details of what the proposal to the jurisdictions would look like. Vice Chairman Beason said the Commission is not confident it has sufficient information to act on this item at this meeting. Commissioner Steele seconded the motion. Vice Chairman Beason asked if any member of the public would like to make a comment on the motion. No one came forward to speak. Commissioner Brady asked staff to bring back the proposed interim fee numbers to the November meeting. Executive Director Landon said, based on the three items included in the discussion, it is a simple exercise to plug the numbers into a pre-existing spreadsheet. Vice Chairman Beason asked what the impact would be to the RTMF Update effort. Executive Director Landon said there would be no impact on the update. Proposals are due October 6th. During the month of October they will be reviewed with members of the TAC, and a consultant will

be chosen and brought before the Commission for approval to hire. The motion passed with five affirmative votes and one no vote from Vice Chairman Beason.

PUBLIC COMMENT

There was no public comment.

COMMISSION ANNOUNCEMENTS

There were no announcements.

ADJOURNMENT OF MEETING

Commissioner Susman made a motion to adjourn the meeting. Commissioner Harris seconded the motion. Vice Chairman Beason adjourned the meeting at approximately 10:18 a.m.

Respectfully submitted: _____
Antoinette Perry, Administrative Assistant

Approved on: _____

By: _____
Nathan H. Beason, Vice Chairman
Nevada County Transportation Commission